INFORMATION LETTER

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Exemption from Renegotiation Is Recommended for Canned Foods By N. C. A. at Hearing Before House Ways and Means Committee

During the week the subject of renegotiation of government contracts occupied the attention of numerous Congressional committees; and in addition to hearings in which a representative of the Association participated, there were numerous reports and recommendations containing suggestions of interest to the canning industry.

The House Ways and Means Committee concluded its investigation of renegotiation, which had begun on September 9, by hearing Under Secretary of War Robert P. Patterson, representatives of several industries, and members of Congress. Howard T. Cumming, the Chairman of the Association's Committee on Renegotiation of Government Contracts, appeared before the Ways and Means Committee on September 21 and recommended the inclusion in the statute of an exemption for "all regularly manufactured canned foods."

During the course of his presentation Mr. Cumming briefly described the canning industry and its operations, reviewed the various limitation orders on the use of containers, detailed the sequence of orders requiring canners to reserve portions of their regular packs of fruits and vegetables for government purchase, and described at some length the methods of purchasing and pricing by the Army procurement officers during 1942 and by the Office of Price Administration during 1943. As to 1942, Mr. Cumming pointed out that the canned food buyers in the Quartermaster Corps were "mostly civilians drawn from the distributing trades and were almost all experienced canned food buyers thoroughly knowledgeable of the products concerned, the areas in which packed, the grades, price levels, and the like. Pricing of canned foods for the Government was essentially a matter of renegotiation, or if you like, *spot renegotiation*."

"In its buying, [in 1942] the Army did not pay the OPA ceiling price but purchased on a *lower*, negotiated basis. After extensive negotiation, the Army canned food buyers determined for each product packed what a fair price would be, and this was not only lower by the amount of brokerage than the OPA ceiling for any one canner, but in most cases lower by some additional amount. Wherever a canner was willing to sell at less than the maximum price ideas of the Army buyers, he received a lower price. Or if his individual ceiling price was very low, the Army buyers could legally pay him only such ceiling even though it was well below the general price being paid for the product. Finally, in the case of many so-called 'uncertified canners' the prices paid were lower than those paid to other canners who had been certified." . . .

"We wish to emphasize the fact that the 1942 canning of canned foods reserved for government purchase and those for civilian sale were completely intermingled. In many cases the packing of two or more items proceeded simultaneously, and one might go to the Government in large percentage and another in relatively smaller or perhaps wholly for civilian distribution. There

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GRAPES FOR PROCESSING ASSIGNED CEILING PRICES

Levels Represent Substantial Increase Over 1942 Figures, OPA States

Maximum prices for grapes sold for commercial processing into jams, jellies, grape juice and wines were made effective September 24 by the Office of Price Administration at levels which represented a substantial increase over 1942 levels, but which are substantially below going prices for these grapes.

The maximum prices are listed in Amendment No. 2 to Maximum Price Regulation No. 425 and were set at levels recommended by the War Food Administration.

Wages, crop prospects and levels at which grapes have been selling in the market for home consumption affected the decision, it was stated. Text of the amendment follows:

Maximum Price Regulation No. 425 is amended in the following respects:

1. Section 3 is amended by adding to the list of maximum prices for fresh

(Concluded on page 7860)

WFA ANNOUNCES PROCESSED CONCORD GRAPE ALLOCATION

Method of Computing Individual Quota Outlined in Distribution Order

The War Food Administration announced on September 23 the allocation of an estimated 60 per cent of the total quantity of processed Concord grapes set aside by processors for use in the manufacture of jams, jellies, and fruit butters, and about 20 per cent for use in the production of bottled grape juice. The remaining 20 per cent is to be held in reserve for future allocations.

The percentages to be allocated by individual processors will vary with each processor on the basis of the amounts of processed Concord grapes he used in the production of the several Concord grape products last year. The methods of computation by which these individual allocations must be determined are set forth in Director Food Distribution Order 80.1, which became effective on September 20.

Processors are required, under Food Distribution Order 80, which also became effective on September 20, to set aside all supplies of processed Concord grapes in their possession, so that the grapes may be allocated to meet essential military and civilian requirements for the various forms of Concord grape products.

Individual processors will receive instructions by letter from the Administrator of Food Distribution Order 80 on the method of computing their percentage allocations.

Further information concerning the methods for determining these individual processor's allocation percentages may be obtained from the Director, Food Distribution Administration, War Food Administration, REF: FD 80 Washington 25, D. C. Text of FDO 80.1 follows.

§ 1405.29 Regulations affecting the allocation of processed Concord grapes—(a) Definitions.

The definitions contained in Food Distribution Order No. 80 shall, when used herein, have the same meaning as set forth in Food Distribution Order No. 80; and when used in this order, unless otherwise distinctly expressed

or manifestly incompatible with the intent thereof:

(1) The term "fresh Concord grapes" means and includes both "restricted Concord grapes" and "unrestricted Concord grapes" as those terms are defined in § 1405.25 (a) (1) and § 1405.25 (a) (2), respectively, of Food Distribution Order No. 80.

(2) The term "bottled grape juice" means and includes the unfermented juice of fresh Concord grapes, obtained by a single pressing of the fruit, with or without the aid of heat, and with or without the removal of insoluble matter, which has been bottled or packaged in individual containers of one gallon or less in volume.

(b) *Manner of determining allocation.*

(1) Each processor shall calculate: (i) The estimated weight (in pounds or tons, at his option) of the fresh Concord grapes which were used in producing the quantity of bottled grape juice produced for his account during the period from September 1, 1942, to August 31, 1943, both inclusive; and (ii) The estimated weight (on a like weight basis) of all of the fresh Concord grapes which were processed for his account during the same period. The percentage which the quantity of fresh Concord grapes calculated as provided for in (i) above is of the quantity of fresh Concord grapes calculated as provided for in (ii) above shall be known as the processor's "bottled grape juice percentage." The difference between 100 per cent and the processor's "bottled grape juice percentage" shall be known as his "other use percentage."

(2) Every processor shall determine, for each period after September 20, 1943, chosen by him, the permissible allocations of the processed Concord grapes which he has set aside. Such determination shall be made on the basis of the following three steps:

(i) The total weight (in pounds or tons, as the processors may elect) of fresh Concord grapes processed for his account during a chosen period shall be multiplied by his "other use percentage." The processor shall then select from the processed Concord grapes which he has set aside a quantity equal to that which would be obtained by processing fresh Concord grapes of the weight determined by the calculation provided for in the preceding sentence. Such selected quantity of processed grapes may be used, or sold for use, or delivered for use in the production of fruit jam, or fruit jelly, or fruit butter.

(ii) The total weight (on a like weight basis as that used under paragraph (b) (2) (i) above) of the fresh Concord grapes processed for his account during the same chosen period as that used in paragraph (b) (2) (i) above shall be multiplied by his "bottled grape juice percentage." The processor shall then select from the processed Concord grapes which he has set aside a quantity equal to that which would be obtained by processing fresh Concord grapes of the weight determined by the calculation provided for in the preceding sentence. Of such selected quantity,

(a) 40 per cent may be used, or sold for use, or delivered for use in the production of fruit jam, or fruit jelly, or fruit butter, and

(b) 30 per cent may be used, or sold for use, or delivered for use in the production of bottled grape juice: *Provided, however,* That the processor may (if he should so elect) use, or sell for use, or deliver for use all or any part of the portion of the processed Concord grapes referred to in (b) above in the production of fruit jam, or fruit jelly, or fruit butter.

(iii) After allocations have been made from the processed Concord grapes in accordance with the provisions contained in paragraph (b) (2) (i) and (b) (2) (ii) above, the quantity remaining may (at the option of the processor) either be retained by him for subsequent allocation, or it may be used or sold for use, or delivered for use in the production of fruit jam, or fruit jelly, or fruit butter.

(c) *Effective date.*

This order shall become effective at 12:01 a. m., e. w. t., September 20, 1943.

GRAPES FOR PROCESSING ASSIGNED CEILING PRICES

(Concluded from page 7859)

fruits sold for processing the following:

Grapes, Concord (*Concord grapes means and includes any and all strains of Concord type grapes of the purple slipskin varieties, including but not limited to Concord, Cottage, Eaton, Hartford, Hicks, Rockwood, Ives and Worden*):

	Dollars per ton
New York	85
Pennsylvania	85
Ohio	85
Michigan	75
Washington	45

2. A new section 5 is added to read as follows:

5. *List of maximum prices f.o.b. shipping point for sales to processors.*

Grapes, California Juice means and includes only the following varieties: Alicante, Aramon, Barberone, Burger, Burgundy, Carignane, Chianti, Cinsant, Gregano, Grenache, Juice Malagas, Malvoisie, Mataro, Mission, Muscat, Petite Bouschet, Petite Sirah, Valdepena, Zinfandel.

1. Juice grapes in lug boxes with a minimum net weight of 36 pounds for shipment out of California	$1.40 per lug f.o.b. shipping point
2. Juice grapes in containers other than lug boxes with a minimum net weight of 36 pounds for shipment out of California	4.0 cents per pound f.o.b. shipping point

For sales delivered to the processor's plant the maximum price shall not exceed the maximum price f.o.b. shipping point stated above plus actual transportation and protective service costs.

This amendment shall become effective September 24, 1943. Any regional office or such district office of the Office of Price Administration as may be authorized by the appropriate regional office may, by order, extend the effective date of this Amendment No. 2 for sales by a seller at a wholesale receiving point who (a) exhibits a bill of lading showing that the carlot was actually shipped prior to September 24, 1943, and (b) shows that he cannot dispose of the merchandise prior to September 24, 1943. The effective date may be extended only to such date that will permit the individual sufficient time in which to dispose of the merchandise, but in no event shall the effective date be extended beyond September 30, 1943.

TABLE-USE GRAPE PRICES

Ceilings Set by OPA Cover Concord And California Juice Types

The Office of Price Administration has set maximum prices for Concord and California juice grapes for home consumption, describing the new levels as a "substantial reduction under going prices." The action was contained in Amendment 8 to MPR 426, effective September 20.

Exact estimates of the price reduction for the two types were not given. OPA said this would vary from area to area.

The maximum prices for California juice grapes, used for wine, apply only in sales for home use, OPA said, explaining that ceilings for wineries outside of California are yet to be established. In the State, wine prices will be kept at present levels, it was stated. The maximum prices listed for Concords are:

4.5 cents a pound for sales in carlot or trucklot quantities to buyers in Zone I, made up of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York, New Jersey, Connecticut, Pennsylvania, Maryland, Delaware, West Virginia, District of Columbia, Virginia, North and South Carolina, Tennessee, Mississippi, Alabama, Georgia and Florida, and 5 cents a pound in sales of less than carlots or less than trucklots in the same zone; 4 and 4.5 cents in Zone II, Wisconsin, Illinois, Michigan, Ohio, Indiana and Kentucky; 3.75 and 4.25 in Zone III, all other States except Washington, Oregon, Nevada and California; 3.5 and 4 in Zone IV, Washington, Oregon, Nevada and California.

The maximums apply to all sales except at retail. Where the grower sells

directly to the ultimate consumer, he has a maximum price of 7 cents a pound in Zone I, 6.5 in Zone II, 6 in Zone III and 5.5 in Zone IV.

The maximum prices established for California juice grapes for shipment out of the State were:

$1.40 a 36-pound lug box, f.o.b. California, and 4 cents a pound, f.o.b. California, for sales in containers of other sizes, when sales are on f.o.b. basis. When sales are on a delivered basis at a terminal market, the maximum price is $1.60 for the 36-pound lug box, plus freight from Bakersfield, California, to wholesale receiving point; or, if another container is used, the maximum per pound is obtained by dividing this last maximum by 36. There is an additional one cent a pound allowed where sales are in less-than-carlot or less-than-trucklot quantities.

The maximum prices established for sales of California juice grapes for resale and consumption inside the State follow: 4 cents a pound in carlot or trucklot quantities, 5 cents a pound in less than carlots or less than trucklots.

If a grower makes a sale of California juice grapes to an ultimate consumer, he determines his maximum price by taking the proper ceiling price at the terminal market and multiplying by a mark-up factor of 1.40. (This gives him a 40 per cent mark-up.)

Edible Molasses Quotas Raised

The War Food Administration has announced an increase of 10 per cent in the edible molasses and syrup quotas of blenders and food manufacturers during the marketing year ending September 30, 1944.

This upward revision in quotas becomes effective October 1, through amendment 1 to Food Distribution Order 51.

The quotas, which are applicable to food manufacturers who obtain their supplies directly from producers, will be raised from 100 to 110 per cent of the quantity used during the year ended June 30, 1941.

British Buy African Sardines

The ministry of food through the United Kingdom Commercial Corporation has purchased the whole of this season's production of the now reopened sardine canning industry in North Africa. The purchase comprises about 400,000 to 500,000 cases of sardines or from 40,000,000 to 50,000,000 quarter-pound tins, according to reports from London.

TO AWARD "A" FOR EXCELLENCE IN FOOD PRODUCTION

Seasonal Processors Eligible Under New Plan; Army-Navy "E" for Year-round Packers Only

The War Food Administration has announced an Agricultural Achievement "A" award for seasonal food processors with outstanding production records, and for counties in which farmers have achieved exceptional production.

Representatives of the armed services will participate in the "A" presentation ceremonies, signalizing recognition of the part food production plays in the war. Awards to seasonal food processing plants will be made throughout the year; most of the farm-county awards will be made in November.

"Food is a decisive weapon of war," President Roosevelt said in a message designed to accompany presentation of the "A" awards. "Victory depends as much on our ability to produce food as on our ability to manufacture guns, planes and ships. Our army of farmers and processors are fighting an important battle on the food front. Working diligently and skillfully, they are speeding this nation and our allies to victory."

Regional Directors and Commodity Branches of the Food Distribution Administration will nominate seasonal processing plants for the award. State Agricultural War Boards are being asked to nominate outstanding counties. Final selections will be made by the War Food Administration.

The award to seasonal food processors will recognize excellent performance of food processors who do not operate on a year-round schedule, but who nevertheless are making a significant contribution to victory. To qualify for the award, seasonal food processors must meet rigidly high standards similar to those required of plants qualifying for the Army-Navy "E" award.

In making Agricultural Achievement "A" awards to seasonal food processing plants, WFA will consider first the quantity and quality of production in the light of available facilities. Other major factors will be ingenuity and cooperation with the Government in developing and producing war food products; cooperation in carrying out the purposes of the various food purchase programs; effective management; ability to overcome production obstacles; satisfactory management-labor relations, including the avoidance of work stoppages; training additional labor forces; low absentee records; accident prevention and health and sanitation.

The same plant cannot be awarded both the Army-Navy "E" and the Agricultural Achievement "A", but a single company operating separate plants may be awarded the "A" for one plant and the "E" for another, depending upon the schedule of operations. The Army-Navy Board for production awards has ruled that only year-round operators are eligible for the "E".

The "A" award flag shows a blue A surrounded by a white wreath composed of a head of grain and half a gear wheel, symbolic of farm and food plant production, all on a green field symbolic of agriculture. A white star indicates the first season's award and others may be added as earned.

Red Pitted Cherry Pack For 1943 Reaches Record Low

The 1943 pack of red pitted cherries amounted to 561,778 actual cases—the smallest pack of record of that commodity since the 1,123,855 pack reported in 1929, according to the Association's Division of Statistics. Last year's pack amounted to 3,061,809 actual cases. The following table gives the pack, in actual cases, by States, for both 1942 and 1943:

State	1942 Cases	1943 Cases
New York and Pa.	563,958	119,857
Mich., Wisc., and Ohio	2,282,942	241,009
Western*	214,909	200,912
Total	3,061,809	561,778

*Includes Colorado, Kansas, Idaho, Nebraska, Montana, Washington, Oregon and Utah.

Temporary Food Rations

Temporary food rations will be provided civilians who are not entitled to food ration books and who wish to eat their meals for a short time with a family which acquires food with ration stamps or certificates, the Office of Price Administration has announced.

Points for such temporary rations, are provided in Amendment 2 to General Ration Order 9, at the rate of 11 points per week for processed foods, and 14 points per week for foods rationed under the meats and fats order.

Only a limited group of consumers is affected by the amendment—foreign visitors in this country for a short period, conscientious objectors on leave or on furlough, and inmates of institutions of involuntary confinement who are temporarily released.

SALMON SALES ORDER

Regulation Revised to Permit Special Government Purchase in Alaska

To aid the Government in its purchase of 10,000 cases of Alaskan canned salmon for consumption in that Territory, the Office of Price Administration, on September 20, revised its regulation controlling prices on sales by canners of salmon.

Maximum Price Regulation No. 265 originally set a ceiling price for salmon canned and consumed in Alaska at a base price less 50 cents per case of 48 one-pound cans. The 50 cents was the average cost of war risk insurance and transportation costs from Alaska to Seattle, nearest United States port of entry, taking into consideration all districts in Alaska where salmon is canned.

The canners whom the Government has asked to set aside 10,000 cases, however, are all located in Ketchikan. The transportation from Ketchikan to Seattle, including handling costs, is about 23 cents a case. Hence, the canners contended, they would get 27 cents less a case than they should on sale of the 10,000 cases. They proposed that the Government take title in Seattle.

Amendment No. 3 to No. 265 provides that the differential between sales for consumption in Alaska and sales in Seattle be changed to the established maximum prices minus the actual costs, including war risk insurance, to ship it by water from the shipping point nearest the canner in Alaska to Seattle.

The amendment, text of which follows, becomes effective September 25.

Section 1364.562 (a) is amended by deleting the words "50¢ less per case of 48 one pound cans than the prices set forth below." and inserting in their place the words "the prices set forth below less the actual costs including war risk insurance to ship it by water from the shipping point nearest the cannery in Alaska to Seattle, Washington."

Prompt Salmon Offers Urged

Following is text of a letter addressed September 20 to the Alaska canned salmon industry by H. C. Albin, Chief, Special Commodities Branch, War Food Administration:

"Attention is invited to the urgency of tendering for delivery to the Government each canner's quota of salmon. Immediate action is desirable so that northwestern storage and transportation facilities may be relieved from excessive congestion."

Ceilings for Shredded Fish

Maximum prices at the processor level have been established by the Office of Price Administration for fibred fish, also known as shredded fish, at 11 cents in a 4-ounce package, 12 cents in a 4-ounce glass tumbler and 13 cents in a 5-ounce package. These prices, which are one cent less in each case than the previous ceilings, are established in Revised Maximum Price Regulation No. 384 (Sales by Processors of Salt Codfish, Hake, Haddock, Cusk and Pollock), and became effective September 21.

Pilchard Canning Increases

The percentage of the U. S. pilchard catch that has been canned as food increased 81 per cent at San Francisco and 59 per cent at Monterey during the industry's first month of operation under the new pilchard production plan as compared with August, 1942, Coordinator of Fisheries Harold L. Ickes has announced.

The number of cases of canned pilchards produced in California was four per cent higher than for the same period last year. The following table presents the statistics of pilchard canning operations during the first month of the current season:

	Cases	Cases	% Increase or decrease
CANNED SARDINES:			
San Francisco (to Aug. 31)	61,057	62,476	− 2
Monterey (to Aug. 28)	206,272	194,859	+ 6
Total California	267,329	257,335	+ 4
PACKING RATIO TO AUG. 28:	(*Cases per ton*)	(*Cases per ton*)	
San Francisco	2.9	1.6	+81
Monterey	9.9	6.2	+59
Total, California	6.4	3.5	+83

Revision of the processor prices for these varieties of fish was made, OPA stated, in order to bring pricing action into line with a recent international agreement signed by the United States, the United Kingdom, Iceland, Newfoundland, and Canada. The agreement involved marketing, allocation, and prices to be paid to fishermen.

California Sardine Report

Estimated figures on tonnage of sardines delivered to California processing plants and cases of sardines packed during the current season to September 11, inclusive, as reported by the California Sardine Products Institute, are as follow:

	Tons
TONNAGE:	
San Francisco Bay	51,189
Monterey	53,588
Total	104,777
PACK:	
Can sizes:	Cases
1-lb. ovals	303,766
1-lb. talls	232,581
½-lb. fillets	8,860
½-lb. round 96's	32,049
5-oz. 100's	6,619
Miscellaneous	12,866
Total	596,741

Alaska Salmon Pack Report

The following figures on the Alaska salmon packs, prepared and reported by the Alaska Division of the U. S. Fish and Wildlife Service, present the detail of the pack by districts and species through September 4, 1943:

DISTRICT	Coho *Cases*	Chum *Cases*	Pink *Cases*	King *Cases*	Red *Cases*	Total *Cases*
Bristol Bay*	167	37,073	.....	6,033	1,275,081	1,318,354
Alaska Peninsula:						
North side*	.....	3,680	54	56	39,330	43,120
South side*	6,685	70,624	167,101	1,936	177,096	423,422
Chignik	1,520	4,412	3,974	249	101,841	111,996
Kodiak	5,238	41,468	553,834	270	116,781	717,591
Cook Inlet*	23,546	26,254	58,903	31,311	102,864	243,878
Prince Wm. Sound	7,849	30,326	512,362	108	12,377	563,022
Copper River	11,711	.....	.....	4,968	56,790	73,469
Yakutat	1,951	.....	1,577	215	9,988	13,761
Icy Strait*	3,147	63,985	60,881	124	11,397	139,534
Western*	6,011	161,803	123,186	55	16,258	307,013
Eastern*	5,356	107,489	87,759	799	7,192	208,687
Wrangell	13,460	75,348	120,296	68	11,610	220,782
South Prince of Wales Island*	14,812	61,653	158,498	15	5,656	240,634
Southern*	28,754	148,050	473,156	483	23,660	674,103
Total through September 4, 1943	130,250	831,865	2,321,581	46,690	1,967,921	5,298,316
Total through September 5, 1942	256,734	893,597	2,794,715	49,838	917,264	4,903,148

* Final.

Alaska Salmon Industry Wants Concentration Plan for 1944

Representatives of the Alaska salmon canning industry have requested Coordinator of Fisheries Harold L. Ickes to begin plans at once for a resumption next year of the concentration plan under which the industry is operating this season.

Dr. Ira N. Gabrielson, Deputy Coordinator, reported September 20 that at a meeting of salmon canners, together with representatives of fishermen and cannery workers, it was voted to request the Coordinator to appoint a committee to work out plans for the 1944 season. Mr. Ickes has agreed to the appointment of the committee and it will begin its work as far in advance of next year's operations as possible, it was stated.

Faust Named Salvage Head

Herbert M. Faust, of Philadelphia, advertising manager of the Curtis Publishing Company, has been appointed Director of the Salvage Division of the War Production Board. He succeeds Paul C. Cabot of Boston, who recently resigned because of ill health. As Director of WPB's Salvage Division, Mr. Faust heads an organization of nearly a thousand government employees, and more than 16,000 volunteer salvage committees throughout the country.

Maximum Prices Raised For Recapping of Truck Tires

Maximum prices for recapping truck and bus tires in sizes smaller than 8.25-20 with Grade A camelback have been established by the Office of Price Administration. The prices reflect a change from Grade C to Grade A camelback ordered by the War Production Board for these smaller sizes of truck tires.

The result will be slightly higher ceiling prices for recapping with the better quality Grade A than with Grade C but the higher price is far more than offset by the substantial increase of mileage afforded, OPA said. The price difference is based on the changed direct material cost.

As an example of the new schedule of prices, OPA cited the permissible charge for recapping a truck and bus tire, size 7.00-20, with a conventional tread, when the tire carcass is furnished by the purchaser. The ceiling price using Grade C camelback is $11.25; but for using Grade A camelback it is $11.80.

The new maximum prices are set forth in Amendment 6 to Revised Price Schedule 66, as amended and became effective September 24, 1943. This action merely extends to the smaller truck and bus sizes, action which OPA took on June 1, 1943, when it issued maximum prices for recapping sizes 8.25-20 and larger with Grade A camelback. That action followed authorization by WPB of Grade A camelback for the larger sizes.

Indiana Sets Convention Date

The Indiana Canners Association will hold its fall meeting at the Claypool Hotel, Indianapolis, on November 17 and 18.

Products, Priorities Publication

A new publication, designed to aid business men and Government officials in obtaining information on all products, materials, and service handled by the War Production Board will be issued by WPB every four weeks, it has been announced.

The publication, titled "Products and Priorities," of which the first edition has just been issued, includes all information formerly contained in "Priorities" and in "Product Assignments," both of which are discontinued. A year's subscription of 13 issues may be obtained for $2 from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. Single issues will be available at 20 cents each.

Persons who now suscribe to "Priorities" will receive the new publication for the balance of their regular subscription. "Product Assignments" had not been available for public distribution.

Onion Storage Rule Eased

Producers and shippers in the 12 States where onion shipments are controlled under a permit program are permitted to move their onions into any type of storage within a radius of 25 miles without obtaining a permit, if they did so last year, under Amendment 1 to FDO 77, effective September 23, according to the War Food Administration.

Previously, these shippers could move their onions only in common storage without refrigeration facilities. Under the amendment, all restrictions as to the types of onion storages are removed.

The 12 States are California, Washington, Oregon, Utah, Nevada, Idaho, Colorado, Minnesota, North Dakota, Michigan, Indiana and New York.

Additional Microanalytical Methods Are Made Available

In the INFORMATION LETTER for July 31 announcement was made that permission had been granted to the Laboratory to reprint microanalytical methods which are now used by the Food and Drug Administration. Attention was called to the fact that methods on tomato products were then available and had been distributed to members who were listed as packing such products. Provision was made for supplying nonmembers upon request.

A second series of methods is now available and copies were distributed this week to canners who are listed as packing the products involved. The list includes the following: Citrus juices, infant foods, greens, peas and beans, berries (5 methods), apple butter, prunes, mushrooms (canned and dried), asparagus, and corn.

These statements may be had upon request, by canners who are interested in the procedures, but have not received copies.

Use of Wax Paper Wrappers Is Restricted by WPB Order

The manufacture of waxed paper and its commercial use in wrapping, especially as an overwrap or secondary cover, was prohibited by the War Production Board, September 22, under General Conservation Order M-351. About 75 per cent of U. S. waxed paper production is used for packaging food.

The order will not affect the manufacture and use of waxed paper by the armed forces, or in connection with Lend-lease or food-export contracts. Among prohibitions laid down by the order is one forbidding the wrapping of canned and bottled foods in waxed paper, either with single or laminated sheets.

New specifications as to type and weights of paper and percentage of wax which may be manufactured and used run from 10 to 80 pound paper, and from 10 to 80 per cent of wax.

The requirements apply to all manufacturers, sellers and users of waxed paper, but its use is unrestricted when less than 200 pounds per month is consumed. Inventory restrictions are fixed at 90 days' supply, except that when specifically manufactured for him, a user may accept delivery if it will not increase his total supply beyond that adequate for 120 days.

Special exceptions are made to cover waxed paper in hand and paper in process of being manufactured prior to the issuance of the order but the specifications for percentages of wax must be followed.

DECENTRALIZATION OF WPB

Plan to Move Production Control Out To Regional, District Offices

A program of decentralization of the operations function of the War Production Board was adopted September 21, at the first meeting of a newly established WPB Operations Council, according to an announcement by H. G. Batcheller, Operations Vice Chairman. The program, it was said, will move out of Washington, to the WPB regional offices, much of the machinery of production control and with this machinery will go greater autonomy and responsibility for the 13 regional offices and 92 district offices of the agency.

It is believed that the move will create, in effect, 13 "Little WPB's", able to function without active assistance from Washington except in basic policy matters and in the instance of problems which are beyond their own resources. Each Regional Director will now be known as a "Regional Chairman" and, within his own area, his job will roughly parallel that of the WPB Chairman.

The position of Deputy Vice Chairman for Field Operations was abolished, since the Regional Chairmen will work directly with the Operations Council. A new Field Service office, under Harcourt Amory, will channel certain information and services to the regional and district offices.

The Operations Council—which consists of the Regional Chairmen and executives of the WPB Operations Office—will meet every two weeks in Washington for the purpose of ironing out organizational details and facilitating the decentralization process.

A study instituted by Mr. Batcheller shortly after he assumed his present position in June convinced him that a surprising percentage of the applications for priority assistance and allocations handled in Washington could be handled just as competently in the regional centers and usually in much less time. It is hoped that by the end of the year a major portion of the agency's paper work will be handled in the local offices. At that time only over-all controls will still remain in the Capital if current plans carry through.

The "Production Representative" system which has been operating in the field for some time, will be considerably expanded and the duties of these engineers, consultants and practical production men who have worked so close to industry will be amplified. They will have the specific assignment of breaking bottlenecks and providing special service to producing units for which WPB has prime responsibility.

WANTED AND FOR SALE

Machinery–Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

FOR SALE

286-S—9-sink Anderson-Barngrover canning table with belt conveyor for fruit and filled cans. Cast iron enamelled sinks. Also a 6-sink similar table. Excellent condition.

287-S—Wolfinger beet cutter.

288-S—Two Olney double washers, used only two seasons.

289-S—Two clipper cleaners, used only two seasons.

290-S—Colossal pea grader, used only two seasons.

291-S—Berlin-Chapman pea washer, used only two seasons.

292-S—Two hydraulic washer pumps, used only two seasons.

293-S—Split pea washer, used only two seasons.

294-S—Three Chisholm-Ryder viners.

295-S—Standard-Knapp labeling machine, used only two seasons.

Container Sizes Changed for Olives and Maraschino Cherries

Further restrictions on the packaging in glass containers of foods listed in Schedule C are included in Amendment 1 to Order L-103, issued September 24 by the War Production Board.

Packing of olives is restricted now to standard minimum sizes of five ounces, and maraschino cherries to seven ounces. Formerly, packing of olives and maraschino cherries was permitted in minimum sizes of three and four ounces respectively.

Mustard is added to the schedule and must be packed in standard glass containers of sizes no smaller than six-ounce capacity. Pectin is eliminated from Schedule C and need no longer be packed in glass containers conforming to the standards specified by that schedule.

JAM AND JELLY PRICING

New Formula Establishes Ceiling Which Reflects Increased Fruit Costs

The formula regulation under which packers, wagon wholesalers and distributors other than wholesalers and retailers will price future sales of fruit preserves, jams and jellies was issued September 25 by the Office of Price Administration.

The maximum prices established under this regulation will reflect increases in 1943 fruit costs at the packer level, resulting from parity increases or support prices issued by the War Food Administration.

The new regulation—Maximum Price Regulation No. 473 (Fruits, Preserves, Jams and Jellies), effective September 30—takes as its starting point the regulation under which these commodities previously were priced — Maximum Price Regulation No. 226 (Fruit Preserves, Jams and Jellies). This also was a formula regulation, and is now replaced by the new MPR 473.

To the maximum prices which the packer had established under MPR 226, each packer is allowed to add a specified amount for the increased cost of the fruit.

Special provision is made for a small group of packers who were caught in a "squeeze" under the 1942 pricing formula because their 1941 base prices were too low in relation to others in the industry and to costs.

An optional "floor" or base price is established in specific dollars-and-cents terms for this minority on nine items, and it is to this base price that they can add the allowed increases for increased fruit costs.

The base prices, per dozen one-pound jars, f.o.b. packer's factory, are $2.05 for currant jelly; $1.53 for grape jelly; $2 for apricot preserves; $1.96, cherry preserves; $1.52, grape preserves; $1.91, peach preserves; $2.25, strawberry preserves; $2.11, blackberry preserves; $2.19, raspberry preserves.

The formula for determining the 1943 maximum price works this way:

A packer who last year had a maximum price of $2.11 per dozen one-pound jars of blackberry jam and who this year has a permitted increase of, for example, 4½ cents a pound for the cold-packed blackberries which go into his preserves, would have a 1943 maximum price of $2.38 per dozen. This is because the increase in the cold-packed berries is figured in the finished preserves on the basis of the customary use of 45 per cent of fruit and 55 per cent of sugar with allowances for shrinkage in cooking.

RENEGOTIATION EXEMPTION RECOMMENDED BY N. C. A.

(Concluded from page 7859)

was no difference in fact between canned fruits and vegetables bought by the Government or sold to civilians after the Government took what it wanted of the pack."

Mr. Cumming continued by pointing out that, for 1943, prices for government purchasing were fixed by OPA and were basically 96 per cent of the civilian price which, in itself, was either a formula price or a flat regional price. He referred to the bases on which OPA had established the civilian prices—on actual costs "plus a reasonable margin to the purchaser"; and stated that, "if the margin determined by the OPA was a reasonable margin, it is difficult to see why the industry should be subjected to the renegotiation when the government price is 96 per cent of the OPA price computed on this basis." Pointing out that where formula pricing was used, it was based on 1941 prices and margins, Mr. Cumming urged that the same reasons precluded the renegotiation of sales of formula-priced canned fruits and vegetables packed in 1943.

Likewise, Mr. Cumming reviewed for the Committee the details of the Commodity Credit Corporation raw material subsidy for the four major vegetables and the manner in which it operated. He pointed out that "this subsidy, however, does not apply to government purchases, but the amount to be added to the civilian price is a mathematical computation from the subsidy arrangement. In short, the same subsidy comes either from the CCC or from the government procurement agency. The canner's profits are not increased in either case. It is rather paradoxical that the Government should recognize the necessity for subsidizing an industry and at the same time seek to renegotiate its government contracts for its regular production on the theory that excessive profits might have been realized."

Supporting the view that in the processed food field renegotiation is not necessary, Mr. Cumming stated that the industry was puzzled by the exemption of frozen foods and the continued inclusion of canned fruits and vegetables. He pointed out that "not only does the frozen fruit or vegetable come from raw material purchased under common contracts with growers, but also precisely the same preparatory operations are performed on such fruits or vegetables—whether for canning, freezing, or dehydrating—up to the point of packaging and processing either by the application of heat or cold. Since the underlying cost structure is identical for freezing and canning, we believe that an exemption should be extended to canned as well as frozen foods."

In response to the argument that "standard commercial articles" need not be exempted because their volume had multiplied tremendously during the war, Mr. Cumming pointed out that by and large this was not true in the canning industry, and that to a very great extent the government reservations came out of production which could go into civilian consumption. In this same connection he indicated the differences between a seasonal, single annual production such as is found in canning, where raw material supplies are limited, and the production of other types of standard commercial articles where increased volume is merely a matter of greater factory production.

On September 22, the House Committee on Naval Affairs issued its report and recommendations with respect to the Renegotiation Law on the basis of hearings held during the summer. In an elaborate report, the Committee reviewed the purpose and history of the statute and concluded that the law should not be repealed and that there should be no blanket exemption of contracts for "standard commercial articles," and that renegotiation should continue on a before-taxes basis. The Committee recommended, however, that renegotiation should be completed within 14 months after negotiations have begun, that the law should be amended to exempt from renegotiation all contractors whose total government sales in any fiscal year do not exceed $500,000 provided that wherever profits of a contractor in this category are "so excessive as to be unconscionable," he should continue to be subject to renegotiation. The Committee further recommended that the procurement activities of the Department of Agriculture should be brought within the renegotiation act but that parity payments, soil conservation payments, and similar programs should not be affected. Likewise, the Committee suggested that Lend-lease purchasing should be subject to renegotiation. Finally, the Naval Affairs Committee recommended that certain standards should be spelled out in the law, that judicial review should clearly be provided, and that insofar as possible the reasons underlying the findings of the Price Adjustment Boards and their decisions should both be made public.

Of collateral but important interest is the further recommendation of the Naval Affairs Committee that the excess-profits tax law should be amended so as to cover excessive profits of individuals and partnerships.

On September 21, there was also presented to Congress a proposed amendment by Senator Carl A. Hatch of the Truman Committee, which has likewise considered the subject of renegotiation. Senator Hatch's proposals, incorporated in S. 1366, contain a number of interesting suggestions. Among these would be the establishment of a "minimum test" for determining whether the contract of a particular company should be renegotiated. This test would exempt from renegotiation any contractor whose before-taxes profits did not exceed 8 per cent of his total sales, and whose total sales were not more than three times his average total sales during 1936 to 1939.

Senator Hatch likewise proposed that the tax statutes be amended to permit a deduction up to 20 per cent of a company's taxable income for the creation of post-war reserves. Such deduction would be subject to two conditions: That the reserve be invested in special non-negotiable, non-interest bearing government bonds, and that when these securities are liquidated for post-war adjustment the amount derived must be included as taxable income for the year of liquidation.

On September 22, Representative Carl Vinson of Georgia introduced Bill H. R. 3316 which was referred to the Committee on Ways and Means. As the Act itself contains no clear-cut definition of the term "excessive profits," this proposed amendment enumerates the different factors which shall be considered in reaching a determination as to the existence of excessive profits, within limitation or restriction by any fixed formula with respect to the rate of profits. The bill further proposes that the Secretary's finding as to the existence of excessive profits is to be reviewed within 60 days in the Circuit Court of Appeals of the United States within any circuit in which the contractor resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, and that a statement of findings of the facts, upon which the existence of excessive profits was based, shall be furnished to the contractor.

Although Representative Vinson's bill does not specifically mention the Department of Agriculture, it provides that the head of any governmental department other than those designated as renegotiating agencies may certify to the Secretary of the Treasury any contract under which excessive profits may be realized. The Secretary of

the Treasury is given authority to renegotiate such contracts. The bill provides, however, that contracts with the Department of Agriculture shall not be subject to renegotiation, if renegotiation would conflict "with the purposes of any law, regulation, order, or program relating to prices of agricultural commodities or commodities processed in whole or in part therefrom."

It is expected that the Ways and Means Committee will issue a report within the very near future embodying its own recommendations, and that there will emerge from all of these proposals specific legislation for the amendment of the statute. It seems likely that the renegotiation law will not be repealed and that renegotiation will continue to be on a before-taxes basis. Inasmuch as all affected government departments have concurred in the recommendation that the minimum total contract amount, to which renegotiation shall apply, should be raised from $100,000 to $500,000, it is expected that this limitation will be enacted into the statute. It is likewise believed that clarifying amendments to ensure access to the courts will be provided. The remainder of the suggestions are expected to become the subject of considerable Congressional discussion and debate.

Following termination of its hearings, an executive meeting of the Committee, held on September 24, considered what further action would be taken. During the period of the Congressional recess, the subject had been under study by a Ways and Means subcommittee headed by Representative Wesley E. Disney of Oklahoma. Other members of the subcommittee include Representatives A. Willis Robertson of Virginia, Wilbur D. Mills of Arkansas, A. Sidney Camp of Georgia, Harold Knutson of Minnesota, Roy O. Woodruff of Michigan, Thomas A. Jenkins of Ohio, and Committee Chairman Doughton as an ex officio member.

Maintenance and Repair Ratings For Commercial Refrigeration

Steps have been taken by the War Production Board to facilitate more prompt emergency maintenance and repair service for essential industrial and commercial refrigerating and air conditioning systems. Preference Rating Order P-126, as amended September 16, simplifies procedure for obtaining repair parts and materials, and also removes provisions limiting the use of preference ratings to service agencies holding certificates of authority and serial numbers issued by WPB.

The amended order assigns preference ratings and CMP allotment symbol MRO to purchase orders for maintenance and repair parts and materials placed by any service agency, according to the uses of the systems for which they are needed. Class I systems and applicable preference ratings follow:

AA-1-MRO, for systems used in industrial food manufacturing, processing, packaging, preservation, storage or transportation, or for purposes listed in Schedule I of CMP Regulations 5 and 5A.

Controlled materials for repair and maintenance of Class I systems may be bought with the preference ratings designated, with the exception of aluminum. This must be obtained in accordance with the provisions of CMP Regulations 5 and 5A.

Fire-Prevention Rules for Use in Home, Plant and Farm

Preventable fire losses have greatly increased in the last two years, and this fact emphasizes the importance of the campaign to reduce these losses through organized work during the week of October 3, which the President has designated as Fire Prevention Week. The INFORMATION LETTER of September 11 outlined some methods by which effective assistance can be given to the campaign. Following are some things that individuals can do to prevent a recurrence of the losses experienced in the last two years:

IN THE HOME

1. Keep emergency fire-fighting equipment handy at all times and know how to operate it speedily and efficiently. Know how to summon your local Fire Guard squad, if one is available. If not, know how to turn in a fire alarm.

2. Keep up-to-date on the information about enemy fire bombs and how they should be handled. Your local Civilian Defense Council has material available on the subject.

3. Don't give an incendiary bomb fuel to feed on. Cooperate with the Fire Guard in eliminating all home fire hazards that tend to cause the rapid spread of fire. Check furnace flue pipes; clean out attic, cellar, and storage spaces. If the things you have stored are of no value, get rid of them.

4. Keep oily and paint-soaked rags in air-tight cans or dispose of them if you haven't a safe place to store them. They can and often do cause spontaneous ignition.

5. Cigarettes cause one out of every four home fires. Avoid smoking in bed. Be sure a cigarette is extinguished before you throw it away and never leave a lighted one if you are likely to forget about it. Keep matches out of the reach of children.

6. Turn off or disconnect your electric iron and other appliances before leaving them to answer the door or telephone. Replace worn extension cords on lamps and appliances. Use only correct-size electric fuses.

7. Use only nonflammable cleaning fluids (never gasoline, benzine, or naphtha). Recognize the hazard of quickening fires with kerosene.

IN THE PLANT

1. Know where the emergency fire-fighting equipment is located. Make it your business to know how to operate it speedily and efficiently should a fire start.

2. Make it a rule in every instance to summon the fire department upon first discovery of a fire. Then make the most prompt and effective use of the equipment at hand.

3. Observe all the safety rules set down by the management. The pleasure from smoking one cigarette is never worth the loss of a life or the disruption of a war production schedule.

ON THE FARM

1. Go over house, barn, and out-buildings to locate and remove fire hazards. Remember—destruction of crops and livestock by fire represents a set-back in America's food program.

2. Make it your duty to see that new and inexperienced hired help are not careless with pipes and cigarettes. When workers are putting in long hours, they're tired and they're more liable to set a lantern where it will get kicked over, or forget to shut off electrical equipment.

3. Keep ready for action at all times axes, shovels, ladders, water buckets, barrels of water and pumps so that if fire starts on your own or neighbor's farm, you will have the tools at hand with which to fight it.